

CHAPTER 206

BILLS OF LADING (BLs)

A. GENERAL

1. This chapter governs the accountability, application, issuance, preparation, and distribution of cargo BLs and contains instructions applicable to procurement of transportation from commercial carriers. See DTR, Part IV, Personal Property, for information on BLs used for shipping personal property.

2. Prescribed Forms:

a. Standard Form (SF) 1103, U.S. Government Bill of Lading (BL), and SF 1109, Continuation Sheet, are pre-numbered forms used by activities that have no automation capabilities. They are to be used by automated activities only in the case of emergencies, such as if their systems are not operational. The amount of pre-numbered forms that an installation may keep on hand will be established by Service and Defense Agency policy. All printing requisitions by DOD activities for stock replenishment of pre-numbered BL forms will be submitted on SF 1, Printing and Binding Requisition, to:

U.S. Army Publishing Agency (USAPA)
Attn: JDHQSV-PAP RM 1020
2461 Eisenhower Avenue
Alexandria VA 22331-0302

b. For automated activities that have the capability of generating laser printed BLs, using pin-feed pre-printed unnumbered BL forms, and/or creating EDI BLs will obtain BL numbers for their systems from MTMC. To request BL numbers, activities will send a memorandum indicating the amount of numbers requested based on projected annual shipment volumes, to:

Military Traffic Management Command
Attn: BL Number Office (MTOP-PAS)
200 Stovall Street
Alexandria VA 22332-5050

c. Send requisitions for fanfold, pin-feed unnumbered BL sets to USAPA at the address in Paragraph A.2.a. Requisitions will be filled with forms without BL numbers and numbers will be furnished separately by MTMC, as described in Paragraph A.2.b.

d. Authorized contractors must provide a request for a BL(s) from the appropriate TO.

B. BL APPLICATIONS

1. The Government uses the BL for procurement of transportation and related services from commercial carriers when charges are properly payable. BLs may be used for FMS shipments with

delivery term codes (DTS) 2, 3, 4, [Defense Working Capital Fund (DWCF)] 5, 6, 7, 8, 9, A, B, C, D, F, G, H, and J. For the CONUS portion of the shipment, shippers must ensure that they cite the applicable DWCF for shipments of DWCF material and the applicable FMS transportation fund for non-DWCF shipments. Annotate the BL, "Foreign Military Sales Shipment." BLs may also be used for Grant-Aid shipments. Instructions for using the BL are covered in detail in Attachment 2 to Appendix X. See Appendix V for further information on FMS/Grant Aid shipments.

2. For export shipments or through BLs, when shipped from CONUS POE, annotate BL with the following: "Department of Defense Shipment. No export declaration or license required."

3. Shipments to Canada fall into two different categories U.S. Government-owned or items procured by the Canadian Department of National Defence (DND).

a. When shipping materiel that is U.S. Government-owned, which will remain so while in Canada, the GBL shall be annotated with the following statement: "Free entry under Canadian customs, Tariff Item No. 9810.00.00. Value for Canadian customs purposes \$ (dollar amount)." When this shipment is being carried by U.S. military vehicle, no other documentation is required other than an additional copy of the GBL or vehicle manifest for Canadian customs purposes, which shall be presented to Canadian customs upon entry. When using commercial vehicles and the shipment is consigned to either a U.S. unit co-located with a DND unit or directly to a DND unit, a copy of the GBL accompanied with additional information detailing which commercial carrier is being used and where and when this shipment will enter Canada shall be faxed to National Defence Headquarters (NDHQ) Customs (613) 995-2287. If necessary, contact the Customs section at either (613) 995-0834 or 996-0290.

b. When shipping items procured by DND, a Shipper's Export Declaration (SED) is required complete with references to each DD Form 1348 document (Document Identification (DOC ID), description, and value). A copy of the SED and each DD Form 1348 shall be attached to the GBL and another to Box 1 of each shipment. The hired carrier shall be Canada customs bonded. All shipments are to be delivered "In Bond" to destination for Canadian customs clearance at destination by the DND broker.

4. Advance copies of inbound GBL shipments will be checked, based on expected delivery dates, for status of undelivered shipments. Tracer action will be initiated, if needed.

5. GBLs may not be used for:

a. Contract-related shipments and services, unless authorized in the contract or a Government appropriation, are furnished.

b. Accessorial services not provided in linehaul tenders.

c. Surplus property when sold Free on Board (FOB) Origin or when consigned to a state or municipality, other than National Guard, unless the terms of sale or transfer require shipment at Government expense.

- d. Movement of empty DFRIF cars.
- e. Parcel post shipments.
- f. Personal baggage checked on tickets issued on Government Transportation Requests, unless required by tariff of tender in connection with exceptional classes of property.
- g. Procurement of accessorial services (i.e., loading/unloading, blocking/bracing) that are provided in linehaul tariff, schedule, or tender.
- h. Shipments, other than Army and Air Force Exchange Service (AAFES), made to and from non-appropriated fund activities, except when transportation charges are payable from appropriated funds.
- i. Shipments of supplies purchased from regimental, company, or hospital funds, from point of purchase to location of purchase unit.
- j. Shipments where transportation charges are payable by U.S. Bank PowerTrack.
- k. Customs and duty fees associated with FMS.

C. CBL APPLICATIONS

1. CBLs are authorized for any freight shipment regardless of quantity, size, valuation, and weight. All other rules and procedures remain the same regarding the movement of Government freight. See the following Web site for CFR Title 41, Public Contracts and Property Management: <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1>.
2. Each shipping activity using CBLs must establish procedures and controls to prevent and detect duplicate payments, must properly account for expenditures, and requires notice from the consignee when a discrepancy in shipment occurs.
3. For international movements, the CBL must be annotated with the following statement: "Property of U.S. Government – Entitled to Duty Free Import."
4. CBLs used for the movement of freight will be annotated with the following statement to protect the interests of the Government: "This shipment is for the account of the U.S. Government and is subject to the terms and conditions set forth in the standard form of the U.S. Government BLs and to any available special rates and charges."
5. For movement of empty DFRIF cars, annotate the CBL with the following statement: "Free, under the provisions of Railroad Protective Services Tariff 6007 series (mileage allowance tariff)."
6. For DOD FMS shipment, CBLs (payable by U.S. Bank PowerTrack) may be used when the DTC is one of the following: 2, 3, 4 (DWCF material only), 5, 6, 7, 8, 9, A, B, C, D, F, G, H, and J. For the CONUS portion of the shipment, shippers must ensure that they cite the applicable DWCF for shipments of DWCF material and the applicable FMS transportation fund

for non-DWCF shipments. See Appendix V for further information on FMS/Grant Aid shipments.

D. ISSUANCE

1. Only authorized or acting TOs or TAs may issue BLs or CBLs.
2. TOs are authorized to issue BLs when supporting DD Form 1149, Requisition and Invoice/Shipping Document; DD Form 1348-1, DOD Single Line Item Release/Receipt Document; DD Form 250, Material Inspection and Receiving Report; DD Form 1384, Transportation Control and Movement Document; or other supporting documents are available. Support documents will be retained with the BL. Persons furnishing supporting documents, contract data, or other information to TOs are responsible for their accuracy.
3. A single BL may be used at anytime when an agreement exists between TO and carrier.
4. Normally, out-bound and in-bound segments of a round-trip are considered two separate movements and separate BLs must be issued for each segment. Each BL will be cross-referenced to show that a round-trip movement is being made. When a car or vehicle is loaded to capacity, the overflow will be billed on the same BL unless prevented by provisions in the applicable carrier tender.
5. Use BL continuation sheet(s) (SF 1109) when space is not sufficient in Items 15 and 18; this includes multiple stops. The original BL number must be annotated on all continuation sheets. The total number of continuation sheets must be annotated on the original BL.
6. The issuance of the BL after the service is performed is prohibited except for:
 - a. Conversion of a collect CBL.
 - b. Payment of additional charges resulting from the diversion or reconsignment of a linehaul shipment moving on a prepaid CBL.
 - c. A portion of a multiple unit moving on a single BL is diverted (see Chapter 202, Paragraph K).
7. Issuance of a duplicate original BL is prohibited. When an original BL is lost, the carrier can use the Freight Waybill (original) to submit for payment or obtain a certified true copy of the consignor copy of the BL.
8. Certification of Lost or Destroyed BLs:
 - a. When both the original BL and Freight Waybill are lost or destroyed, the carrier may certify on the reverse side of a memorandum copy as follows: "I certify that the services shown on this memorandum copy were performed." The certifying official must be an agent of the carrier and must sign and date the certification. The carrier may then submit this certified copy to DFAS for payment. DFAS, upon the receipt of a carrier certified BL, will:

(1) Use existing DFAS/MTMC BL automated security measures to ensure that the BL number is valid and was assigned to the shipping activity identified on the BL.

(2) Match the BL to the costing information provided to DFAS via the Defense Transportation Payment System (DTRS)/CFM interface. This match will include the issuing office BLOC, BL number, and the carrier's Standard Carrier Alpha Code (SCAC) to ensure the validity of the BL.

(3) Pay the carrier only what has been authorized by CFM.

b. DFAS will return to the carrier any carrier certified BL that does not meet the criteria outlined in Paragraph D.8.a above. In order to receive payment, the carrier must then request BL certification from the issuing office TO. The issuing office TO may certify on the reverse side of a BL memorandum copy as follows: "I certify that the services shown on this memorandum copy were requested." The certifying official must sign and date the certification and return to carrier. The carrier may then resubmit the BL to DFAS for payment.

c. Any carrier not desiring to self certify memorandum copies of BL may request TO certification, as outlined in Paragraph D.8.b.

Note: These procedures are only in effect for those freight bills paid via the DTRS at the DFAS-Indianapolis Operating Location (OPLOC). All lost freight bills paid by other DFAS OPLOCs must be certified by the origin TO. As DFAS expands DTRS to all of its OPLOCs, these procedures will expand to cover those OPLOCs as well.

E. COLLECT CBL

1. General. These provisions will not apply to commercial forms used for transportation of DOD small shipments or other types of shipments as described in Paragraph C, above. Commercial uniform order BLs will not be used for Government shipments.

2. Conditions. These provisions will apply to Government shipments, under the following conditions:

a. In an emergency when material must be shipped immediately and BLs are not readily available.

b. Where a net monetary benefit to the Government would result on shipments of newly procured material.

c. When notified by the HQs of the shipper service concerned. Such notification will be based on specific authorization by GSA.

d. For DOD FMS shipments when the DTC is "4" (non-DWCF funded) or "E."

3. Terms and Conditions. The terms and conditions of the BL and all other requirements for Government shipments will apply to CBL shipments converted to BLs.

4. Shipment Procedures. When transportation charges are properly payable by the Government and a shipment moves on a collect CBL, express receipt, or other form customarily provided by commercial carrier, the original and all copies of the commercial document will be annotated with, "to be converted to a Government Bill of Lading by (office or activity to effect conversion). Authority of (letter, Teletypewriter Exchange (TWX), and so forth) dated (date)." The commercial document will be converted to a BL as follows:

a. Shipments Consigned to Military Activities. As determined by the authorizing TO, conversion of the commercial document to a BL will be promptly effected by either the authorizing TO or by the consignee. In the latter case, the TO authorizing the shipment on the commercial document will instruct the shipper to send the commercial document direct to the consignee. Also, the authorizing TO will furnish the consignee with all additional information required for the conversion. Such information should include the contract number or other authority for payment from Government funds, the appropriation chargeable, and the FOB point named in the contract.

b. Shipments Consigned to Non-military Activities. When a shipment is consigned to a non-military activity, the shipper will be instructed to send the original of the collect CBL, express receipt, or similar document to the authorizing TO. Upon receipt of the commercial document, it will be converted to a BL by the authorizing TO. The original BL will be forwarded to the origin carrier, who will be responsible for transmittal to the delivering carrier. The consignee copy will be forwarded to the consignee.

c. Accumulating Commercial Documents. More than one commercial document may be converted to a single BL, when all documents are of the same type, all shipments are moving between the same points by the same route to the same consignee, and all shipments were tendered to the origin carrier on the same day. Non-transit, bulk shipments of coal, carload or TL, between the same point by the same route may be accumulated weekly for conversion, if the carrier agrees to this arrangement and the shipment dates are shown on the BL. For all other bulk-type shipments, contact HQ MTMC, Attn: MTOP-JGB, 200 Stovall Street, Alexandria VA 22332-5050, to request authority to accumulate documents.

5. Conversion Procedures:

- a. Use a serially numbered BL and complete properly.
- b. Note any discrepancies with CBL on the BL, cross-reference the bills, and attach a copy of the CBL to the BL.
- c. Distribute a copy of each converted BL and CBL covered, in accordance with Paragraph G below. The office converting the documents should maintain a file copy.
- d. If CBL is not available, use:
 - (1) Express Delivery Sheet, carrier shipping order, or carrier freight waybill.

(2) Photostats of the commercial documents that have the following annotation prior to copying: "Photostat of the document furnished consignee (date) to be converted to Government bill of lading."

(3) Certified true copy of the commercial document(s) with a carbon impression of the following annotation placed on the commercial document: "Certified true copy of this document furnished consignee (date) to be converted to Government bill of lading."

e. Prepaid CBLs or prepaid express receipts will not be converted to BLs.

F. ACCOUNTABILITY

1. Records Maintenance. Each shipping activity will maintain records of BLs issued and supply of BLs on hand. BL forms are accountable documents, and the number of preprinted forms that an activity may keep on hand is limited by service policy. Internal procedures must be established to control stocks and assign accountability for BL issuance and use. The TO, or in the absence of a TO, an acting TO, will be appointed in writing as the responsible BL issuing officer and held accountable for BL control, safekeeping, and disposition. To facilitate control, individual BL sets are serially numbered when printed. The forms are issued by USAPA, and numbers are provided by HQ MTMC/MTOP-PAS. Packages of BLs must be opened immediately upon receipt and inventoried by the BL issuing officer (or designated representative) to verify that none are missing. Activities will establish procedures for conduct of audits by personnel external to the office controlling SF 1103s. Audits must be conducted at least every 180 days to verify inventories and records. The TO must provide the same level of accountability and safeguarding of BL numbers maintained and issued in automated systems as for pre-numbered BL forms.

2. Transfer. Blank, serially numbered, original BLs or preassembled BL sets that have been issued to TOs or their designated agents may not be transferred. Excess stock must be disposed of as described in the following paragraph and the numbers reported to HQ MTMC/MTOP-PAS.

3. Disposition of BLs Unfit for Use or Issued Prior to Shipment Cancellation. When BLs have become mutilated or otherwise unfit for use, if BLs have been issued and the planned shipment is subsequently canceled for any reason, or if the TO is disposing of excess stock on hand, all parts of the BL set except the original will be destroyed. The original BL will be marked "Canceled" or "Void" and filed in the "property shipped" BL file. When circumstances prevent filing of the canceled or voided BL, the consignor copy or a substitute memorandum copy, with appropriate annotation regarding disposition of the original BL, will be placed in the "property shipped" BL file.

4. Lost, Stolen, Missing, or Voided BLs. The prefix symbol and serial numbers of blank original BLs or preassembled BL sets that have become lost, stolen, unaccountably missing, voided, or otherwise beyond the control of the issuing officer will be reported to HQ MTMC/MTOP-PAS, who in turn, will notify all paying activities. Once BLs are reported lost, stolen, missing, or voided, they may not be used, even if recovered.

G. DISTRIBUTION

1. BLs for DOD shipments may be distributed by mail, electronically, or by other appropriate means to ensure arrival with or prior to the arrival of the shipment at the destination, as listed below. Continuation sheets for stop-offs must contain all pertinent information, as in the original BL.

- a. Original (SF 1103) and copy(s) (SF 1104/1106) to the carrier.
- b. Memorandum copy (SF 1103-A) for issuing office.
- c. Memorandum copy (SF 1103-A) to the DFAS six-digit Accounting and Disbursing Station Number (ADSN) cited at the end of the accounting classification (for other than HQ Marine Corps and Navy open allotment funds only). See Appendix AA for a list of the DFAS OPLOC addresses supporting Air Force.
- d. Memorandum copy (SF 1103-B) for consignee.
- e. For shipments with stop-offs, a memorandum copy (SF 1103-A) to the stop-off point(s).
- f. For BLs citing multiple accounting activities, each DFAS six-digit ADSN/or four-digit Disbursing Station Symbol Number (DSSN) cited at the end of each accounting classification will be provided a memorandum copy (for other than HQs Marine Corps and Navy open allotment funds only). See Appendix AA for a list of the DFAS OPLOC addresses supporting Air Force.
- g. Memorandum copy (SF 1103) to DFAS six-digit ADSN/or four-digit DSSN cited at the end of the accounting classification for non-EDI capable system (for other than HQs Marine Corps and Navy open allotment funds only.) See Appendix AA for a list of the DFAS OPLOC addresses supporting Air Force.

2. For non-DOD agencies, distribution will be as required by the appropriate agency.

H. PREPARATION

1. Appendix X, Electronic Data Interchange (EDI) Operating Instructions for Defense Shipping Activities, gives coded and plain language information for entry in specific blocks on the original and all copies of a BL. It applies for EDI- and non-EDI-capable activities. See Figure 204-2 for an example of a BL for munitions and other HAZMAT shipments showing emergency response information and certification statement.

2. TOs will ensure a TCN, in accordance with Chapter 203, Appendix CC-1, is assigned to all DOD-sponsored shipments entering the DTS. The TCN will be employed as the single, standard shipment identification number.

I. BL CORRECTION NOTICE

1. A BL Correction Notice (SF 1200) will be issued to document changes to BL information. For shippers with EDI capability, an EDI correction will be processed. For shippers with no EDI capability, a SF 1200 will be issued. Information will not be corrected by any means, including pen and ink changes. Information that needs to be changed, added, and/or deleted must be done through a SF 1200, Government Bill of Lading Correction Notice, regardless of the recoverable amount.

2. The consignor issues the SF 1200; however, the consignee can make necessary corrections without the issuing office's authorization when obvious corrections are necessary. The consignee copy will be annotated "Corrected without authority of issuing officer" and immediately sent to the origin TO. If EDI-capable, the origin TO will immediately enter the corrected information and retransmit a corrected BL. If not EDI-capable, the origin TO will forward the correction notice to DFAS-Indianapolis. For Navy, send BL correction notices to DFAS Norfolk OPLOC, Code FTB, P.O. BOX 8489, Norfolk VA 23503-0489. For the Marine Corps, send BL correction notices to Commanding General, Attn: Code 470, Marine Corps Logistics Base, 814 Radford Boulevard, Albany GA 31704-1128. Contract administration offices will issue SFs 1200 covering contractor-issued BLs. Use an SF 1200:

a. Anytime the data on the original BL are changed, added to, and/or deleted, regardless of the recoverable amount. Pen and ink changes are not authorized.

b. To resolve transportation discrepancies, including TDRs.

c. To correct BLs as a result of shipment diversion or reconsignment.

3. Distribute SF 1200 as follows:

a. The original SF 1200 and one copy to the originating/delivering carrier.

b. One copy to the consignee.

c. One copy to the appropriate finance center.

4. When the SF 1200 is prepared by the consignor and transportation charges are affected by the alteration or correction, the original and all copies of the SF 1200 will be signed by the origin carrier representative. For additional instructions regarding BL Correction Notices, see Appendix X.

J. BLOC

Each office authorized to issue BLs is assigned a BLOC. Requests to obtain, amend, or delete a BLOC should be sent to HQ MTMC, Attn: MTOP-PAS, 200 Stovall Street, Alexandria VA 22332-5000. All assigned BLOCs are listed in Appendix Y.

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